

An Analysis of How CSR Affect Stock Price Based on Virtue Ethics Character: Estée Lauder Case

Zhihua Yang

UCD Michael Smurfit Graduate Business School, Dublin, Ireland

Email: Zhihua.yang@ucdconnect.ie

How to cite this paper: Yang, Z. H. (2022). An Analysis of How CSR Affect Stock Price Based on Virtue Ethics Character: Estée Lauder Case. *Modern Economy*, 13, 1206-1219.

<https://doi.org/10.4236/me.2022.139064>

Received: July 4, 2022

Accepted: September 20, 2022

Published: September 23, 2022

Copyright © 2022 by author(s) and Scientific Research Publishing Inc.

This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

A company's value can be determined by its stock price, which is influenced by a variety of factors, one of which is corporate social responsibility (CSR). This paper aims to demonstrate the real-world gains and losses received in applying virtue ethics character through a case study of one of the cosmetic companies—Estée Lauder, and to show how organizational factors affect the impact of corporate social responsibility on the share price of the soap and cosmetics industry. According to the research and case study findings, it has found that the company's ethical and unethical behaviour does have some bearing on its stock price in the soap and cosmetics market. The study also makes the case that ethical behaviour has a minor positive impact on its stock price while the variation cannot be noticed immediately; unethical behaviour may negatively impact the company's stock price directly and quickly. To put it another way, Estée Lauder company's unethical behaviour that negatively affects stock prices may have to serve as a signal to other businesses to deal with management and the market.

Keywords

CSR, Virtue, Warmth, Ethical Behaviour, Stock Price

1. Introduction of Soap & Cosmetics Industry and Estée Lauder

Most companies in the soap and cosmetics industry specialize within one or several lines of toiletries, cosmetics, or cleaning goods, and some are diversified, while few have products in all segments. The representative companies in this industry are Unilever, L'Oréal, P & G, etc. In recent years, there has been a

growing discussion about ethical issues in the cosmetics industry. Professor Rosa Chun discusses in her paper *What Holds Ethical Consumers to a Cosmetic Brand: The Body Shop Case* that the Body Shop's business practices (both ethical and unethical) can have an impact on the purchasing behaviour of consumers (Chun, 2016: p. 532). Martin Kelleher also discusses the ethical issues in the beauty industry in *Ethical Issues, Dilemmas, and Controversies in 'Cosmetic' or Aesthetic Dentistry: A Personal Opinion*, and argued that ethical business practices could reduce the number of criminal proceedings and effectively increase customer satisfaction (Kelleher, 2012: p. 365).

Estée Lauder is a renowned manufacturer and marketer of high-quality skin care, makeup, perfume, and hair products brands worldwide (2020 Annual Report, 2020: p. 2). The company is relatively confident in its global reputation and brand awareness, as its marketing strategy is based on the reputation of brands, local markets, and distribution channels (2020 Annual Report, 2020: p. 9). Such strategy arguably indicates that the company is likely to use different promotions and product distribution methods in foreign markets, for example, by establishing additional regulations based on the legal requirements of other countries. The Board of Directors of the company has developed corporate governance principles to assist it in fulfilling its obligation to investors to provide broad direction and oversight of management. As a result, "Bringing the Best to Everyone We Touch and Being the Best in Everything We Do" (2019 Annual Report, 2019: p. 9) becomes Estée Lauder's marketing mission. The above statement shows the direction and changes that the company is willing to adapt to make it more competitive. On one hand, the company's direction (both "Bringing the Best" and "Being the Best") is to be consistent with its delivery of good service and products to customers to satisfy their unique needs and interests. The second inference drawn from the mission statement is that the business will stop at nothing to keep up its "Being the Best" standard ("to Everyone" and "in Everything We Do"). To set explicit values as its development orientation shows that Estée Lauder can be a CSR-driven company.

Additionally, according to Fortune, it lists the World's Most Admired Companies in 2022, and shows that the Estee Lauder ranks fifth in the soap and cosmetics industry. It is the 142nd out of all companies on the list, which potentially indicates that Estée Lauder is leading the industry in business management. What has the company done all these years? Especially considering the company is CSR-related, what ethical behaviours the company has been practising, and do they have an impact on the company's stock price?

In order to answer the above questions, this paper aims to be structured in five parts; besides the above introductory section, the next part will introduce the concept of virtue ethics characters, present perceptions in relation to corporate culture, and discuss the relationship between business practices and the stock price. The third and fourth sections will apply the theories by listing four business activities that have occurred at Estée Lauder over the last ten years, and the aim is to explain the potential impact of these business activities, when they re-

late to positive or negative ethical behaviours they may have an impact on the company's stock price. In the last section, the paper again highlights that CSR considerations can have an impact on stock prices in both positive and negative ways, according to the study's main results and the consequences for business outlined in the previous sections. However, it contends that business ethics will never have a short-term impact on the marketplace. As a result, moral principles should permeate all aspects of the company's management and marketing.

2. Virtue Ethics Character, Corporate Culture, and the Relations with Stock Price

There is a traditional viewpoint on the responsibility of the company, namely an 'economic man' put forward by Adam Smith, who held that the social responsibility of the corporation should be simply to maximise its profits. Such 'amoral philosophy' is also mentioned by Milton Friedman, who argued that if corporations were asked to take on other social responsibilities, they might mix political and economic forces so that their economic interests couldn't be fully protected (Ma & Yu, 2007: p. 105). While in recent years, academic discussions on whether corporate ethics shall be put into corporate culture become increasingly popular, for instance, with 8,672 references to the topic in academic journals on the CNKI in China, including 43 doctoral dissertations and 306 mentions in master's theses argue that, the moral attributes of enterprises differ in many ways from those of persons as individuals; however, as part of society, enterprises also have the will and capacity to act as natural persons and can be the ethical subjects of their own will and behavioural choices (Liu & Han, 2022: p. 98). One paper from Peng Wan, Xiangyu Chen, and Yun Ke, which is titled, *Does Corporate Integrity Culture Matter to Corporate Social Responsibility* states that corporate integrity culture has a strong positive impact on CSR performance, meaning, companies set integrity-oriented corporate culture can help them build a corporate reputation among the industry (Wan et al., 2020: p. 1). In other words, the social responsibility that companies should take on is not simply to maximise their profits; the phrase is accepted globally because corporate social responsibility includes not only economic and legal responsibility, but also moral responsibility (Ma & Yu, 2007: p. 105). As Zongguo Ma and Hui Yu discussed in their article, *A Review of Research on Ethical Corporate Governance from the Social Responsibility Perspective*, that ethical corporate governance based on social responsibility can lead to competitive advantage; via a deeper understanding of the meaning of corporate social responsibility, they declare that ethical advantage can be translated into a competitive advantage (Ma & Yu, 2007: p. 106).

The concept of corporate social responsibility has been developed mainly with regard to ethical responsibility. Simon, a Nobel laureate in economics, pointed out that economic responsibility is the basic function of the company, while social responsibility is a corporate purpose derived from ethical value judgements. In other words, corporate social responsibility and corporate ethics are funda-

mentally the same in content, and that the demand for corporate social responsibility is in essence a demand for corporate ethics, and vice versa (Ma & Yu, 2007: p. 106).

Back to the concept of ‘integrity’, which was mentioned by Peng Wan et al., they actually argue that insisting ‘integrity’ as corporate culture has an impact on business development. That is to say, to embed integrity in the enterprise or to cultivate employees to have a sense of integrity, it not simply is the goal for maintaining business reputation, to a certain extent; it is also for the enterprise or its employees to learn to take social responsibility in business world.

If integrity can be seen as the kind of virtue, then virtuous behaviour embedded in corporate culture show that being a business and practicing virtue are closely related. In *Ethical Character and Virtue of Organizations: An Empirical Assessment and Strategic Implications*, Professors Chun and Wang (2005: p. 278) has mentioned six virtues that can represent a company’s ethical character, which are integrity, empathy, courage, warmth, zeal and conscientiousness. Chun’s presentation of the virtue ethics character is based on content analyses of 158 Fortune Global 500 firms’ ethical values and a survey of 2548 customers and employees (Chun & Wang, 2005: p. 269). What Chun highlighted is that, specific acts of corporate ethics may include not misrepresenting and not concealing from the public. The major strategies for influencing people’s emotions and infecting them with images, according to Qu (2015: p. 80), are the techniques and methods of shaping an organization’s reputation. The above studies show that CSR and corporate ethics are united, both at a literal and behavioural level.

Scholars who support a unified viewpoint of CSR and corporate ethics not only look at the interpretation of corporate ethics, they also, from different perspectives, illustrate the importance of corporate ethics for corporate development.

Wang Xing translated an article written by Rodin (2005) and the title of the work is: *What is Wrong with Business Ethics?* In which David Rodin suggests that a proper articulation of CSR requires two prerequisites. The first is that, how the company functions as an intentional agent of responsibility. And the second relates to the company’s genuine interest, and this means that it must be responsible and receive punishment in doing business (Rodin & Wang, 2006: p. 160). David Rodin makes the case of business managers to support his claim that managers are in an especially ethical position since they are both stakeholders and the ones who force the balanced interests on team members. Their responsibilities and the control mechanisms they are subject to should therefore be extraordinarily strict. To a certain extent, they can be refuted from an ethical standpoint alone (Rodin & Wang, 2006: p. 159).

The above show that corporate ethics not only affects the internal management mechanism of a company, it also influences an outward expansion and performance in the market. Zhang (2005: p. 53) points out that modern corporate and market cultures are impacting on traditional Chinese culture for sure, while in doing business, companies have to bear in mind that Chinese traditional

economic culture potentially influence on the formation and development of stock-market-based culture.

In *An Introduction to Stock Market Culture*, Zhang (2005: p. 54) agrees that corporate culture is subordinated to systemic culture, and can be expressed as 'collective actions controlling individual actions'. Thus, a set of moral and ethical norms should be established as principles commonly used for running a business in which choices can be made and implemented by employees. Violations in any of the areas will have an impact on the development of the stock market.

In Jianlin's Li *Searching for the Cultural Genes that Make Listed Companies as 'Evil'* (Li, 2001: p. 37), Li points out that the listing of some companies has always been investigated by legal institutions for fraud, but they 'create' the impression of moral disorder in the stock market, which also violate the principle that market economy is an economy of law and credit.

As a result, corporate culture and the ethical culture have formed a two-way interaction: institutional deficiencies may allow ethical misconduct to flourish, while the lack of an ethical culture magnifies corporate deficiencies without limits, including the loss of the reputation, business market as well as share price of the company.

Estée Lauder has had a number of corporate ethics-related events in recent years, which have also had an impact on the company's stock price to varying degrees. Aiming to clarify how the two-way interaction between corporate culture and ethical virtue characters functions in both the company and the stock market, the next part will give content analyses on which specific ethical variables have influenced the shift in Estée Lauder's stock price.

3. How Estée Lauder's Ethical Behaviour Affecting Stock Prices

In the last ten years (2012-2020), Estée Lauder's stock trends can be roughly divided into two phases, with 2018 as the dividing line; the stock price raised relatively significant before 2018, with the lowest stock price reaching a low of \$51.59 and the highest reaching \$158.80 (Yahoo Finance, 2022). From 2019 to June 2020, Estée Lauder's stock price has experienced increases and decreases of varying magnitudes, and the change in stock price during this period is the focus of the section. To further explore how CSR affects stock prices, four business activities relating to Estée Lauder are discussed in the following sections.

3.1. Achieving Virtue of Empathy by Fighting against Animal Testing

According to *Consumer Attitudes towards Cosmetics Tested on Animals*, researchers found that the majority of consumers claim that they would be more willing to buy cosmetic products free from animal testing (Grappe et al., 2021). Estée Lauder, which is committed to working with global and local partners to promote alternatives to animal testing in the cosmetics industry, has been

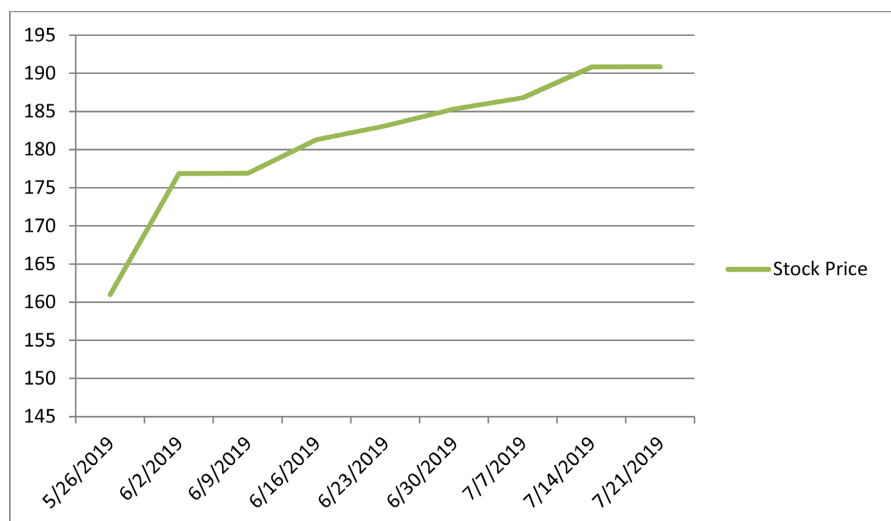
working on alternatives to animal testing. In June 2019, Estée Lauder announced a new partnership with Cruelty Free International, a London-based animal protection and advocacy organization, to achieve a global end to animal testing of cosmetics. Estée Lauder would also like to explore the possibility of getting Leaping Bunny certification for some of its brands as its commitments (2019 Annual Report, 2019). In the seven weeks since that news was released in June 2019, Estée Lauder's stock price has raised from \$161.03 on May 26th 2019 to \$190.87 on July 21st 2019, which was trending upward by about 17% (see Figure 1). It cannot be denied that this is the result of Estée Lauder's announcement of its partnership with the animal protection organization, and it is a real boost to the stock price after demonstrating the virtue of empathy that Estée Lauder has achieved, along with an increase in the company's reputation and product sales.

However, Estée Lauder also acknowledges that its products are sold in countries where animal testing of cosmetic ingredients is legally required for cosmetic ingredients. As the risk of a share price crash and corporate social responsibility are related from a CSR standpoint, and mandated CSR can reduce the risk of share price volatility (Chen, 2020: p. 616). This may be the reason why the stock price of the company has increased by 17% without experiencing a more notable fall in 2019.

3.2. Achieving Virtue of Courage by Acquiring New Brands Globally

According to Professor Chun, being courageous in business means achieving specific outcomes by "being ambitious, achievement-oriented, leading and competent" (Chun, 2016: p. 531). From here it can be seen that, activities that can be seen as courageous include developing new products, acquiring other companies, establishing new projects and so on so forth.

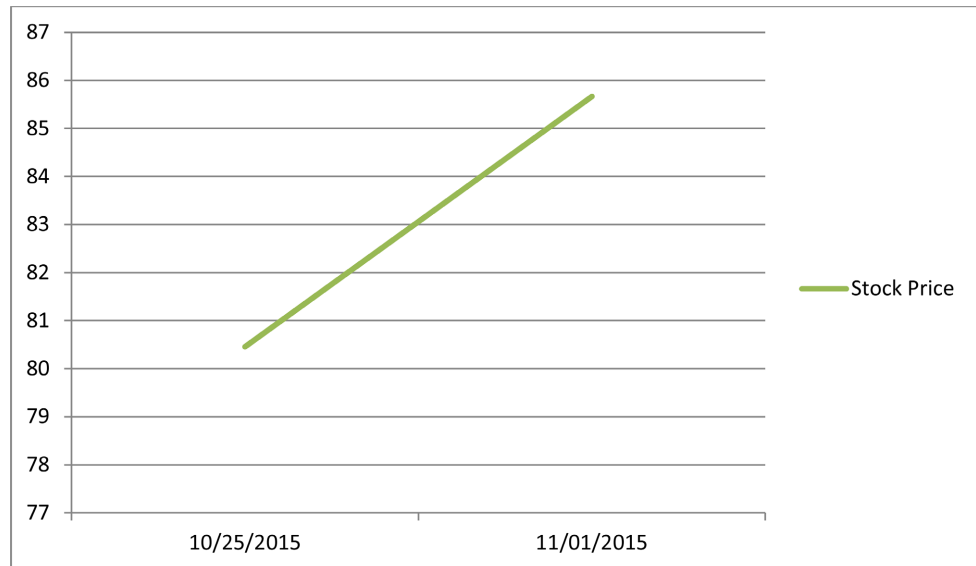
Estée Lauder Companies Inc. has acquired nine companies, including Too



Source: Yahoo Finance. The Estée Lauder Companies Inc. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

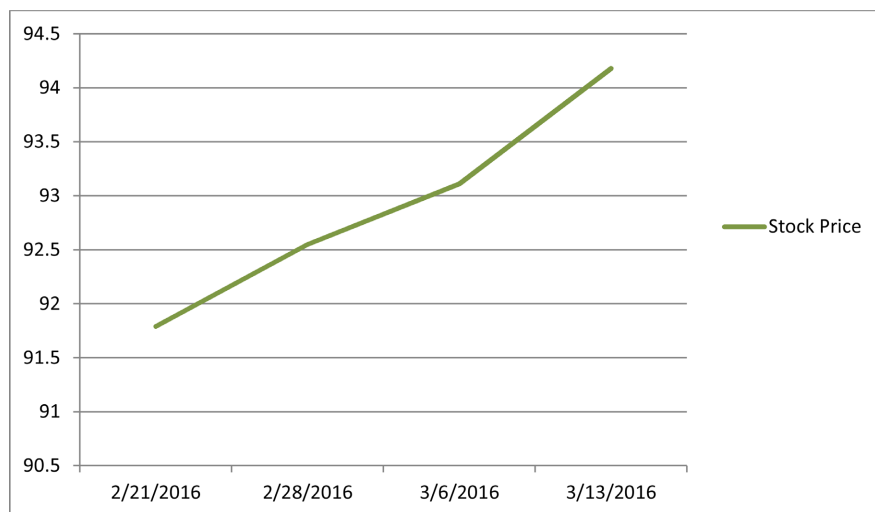
Figure 1. Estée Lauder Stock Price from 5/26/2019-7/21/2019.

Faced, and by Kilian, from 2014 through 2021. The company bought a Korean company Have & Be Co. Ltd on October 27, 2015, and in the following week, the company’s stock price rose by \$5.21 (see **Figure 2**). On February 25, 2016, the luxury fragrance brand By Kilian was also acquired, and the company’s stock trended upward for the next three weeks, with the stock price peaking on March 14 at \$94.18 (see **Figure 3**). On February 23, 2021, Estée Lauder Group announced a further \$1 billion investment in Canadian beauty company Deciem, increasing its stake in the company from 29% to 76% (Larson, 2021). A week after the announcement, Estée Lauder’s stock price rose from \$285.86 to \$292.89, an increase



Source: Yahoo Finance. The Estée Lauder Companies Inc. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

Figure 2. Estée Lauder Stock Price from 10/26/2015-11/02/2015.



Source: Yahoo Finance. The Estée Lauder Companies Inc. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

Figure 3. Estée Lauder Stock Price from 2/22/2016-3/27/2016.

of about 2.5% (see **Figure 4**).

In the short term, Estée Lauder's stock price has seen a slight increase following the acquisition of companies, which shows that achieving the virtue of courage positively impacts the stock price. In the long term, acquiring these companies will bring Estée Lauder greater profits as the company grows. The acquisition of new brands will boost the group's overall performance to some extent, especially the acquisition of niche brands, which will allow the company to expand its target customers further and capture more market share.

3.3. Losing Virtue of Warmth by Making Stupid Joke

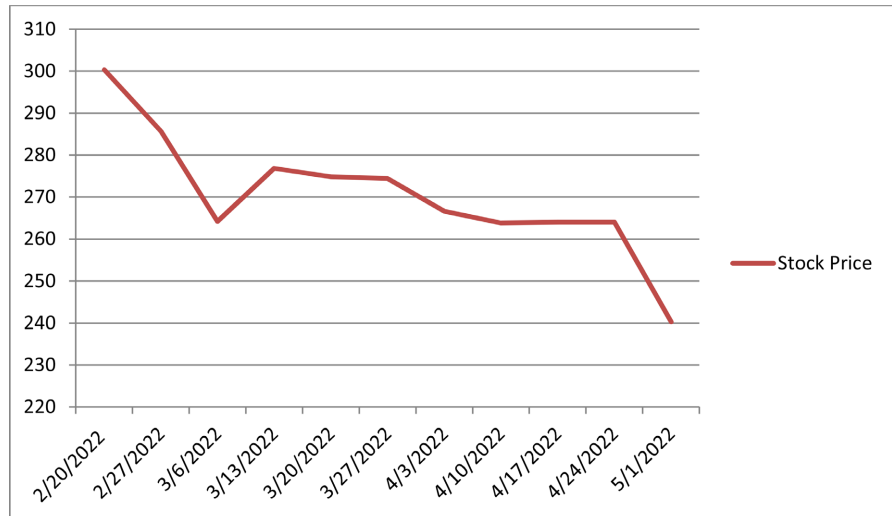
From the above examples it can be seen that, practising ethical behaviours such as fighting against animal test and expanding the market by taking both risks and responsibilities can certainly raise the company's stock price. If thinking the twos as being warmth in business means, then it shows "friendly, pleasant, open and straightforward" in business activities (Chun, 2016: p. 531) of the Estée Lauder Group. While each coin has two sides, sometimes an unethical behaviour of the company can be detrimental to the entire corporate culture. Estée Lauder has no exception.

On February 21, 2022, John Demsey, the executive group president of Estée Lauder, made a racist joke about Covid-19 in a Sesame Street-themed meme and posed it on his personal Instagram page (Planas, 2022). This news was tragic for Estée Lauder, as it directly caused a significant drop in its stock price. In just two weeks, the company's stock price dropped from \$300.330 on February 21 to \$264.23, which is a 12% drop (see **Figure 5**). By June 6, 2022, the stock price was still lower than what it was on February 21 in last year. From an obvious drop in the company's stock price it can be seen that, Demsey's action essentially damaged the company's reputation and credibility, as well as consumers' goodwill



Source: Yahoo Finance. The Estée Lauder Companies Inc. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

Figure 4. Estée Lauder Stock Price from 2/21/2021-2/28/2021.



Source: Yahoo Finance. The Estée Lauder Companies Inc. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

Figure 5. Estée Lauder Stock Price from 2/21/2022-5/01/2022.

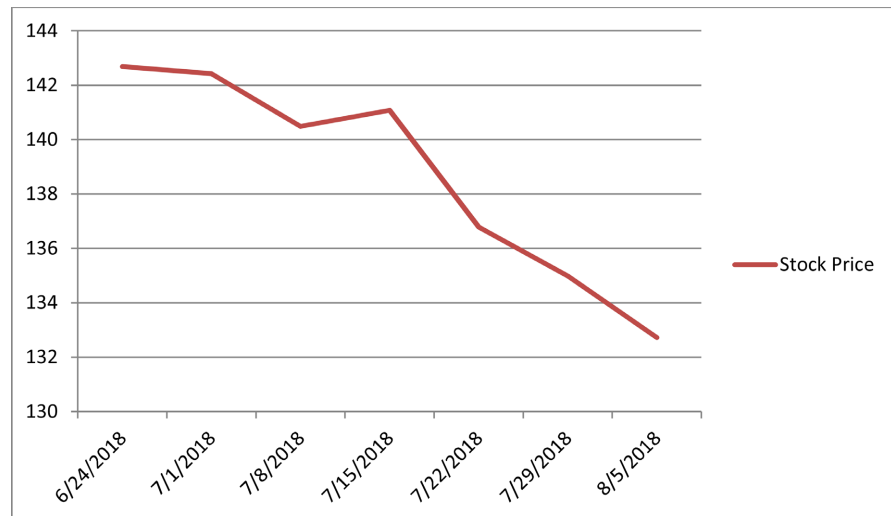
towards the brand., Jeannette Neumann, a reporter from Neumann (2022) also mentioned in her article that the stock price changed after the racist joke posted on Instagram: “Estée Lauder shares being down 1.9% to \$294.58 at 9:48 a.m. in New York”. It seems that it won’t be easy for Estée Lauder to change this situation in a short time.

3.4. Losing Virtue of Integrity by Exaggerating the Function of the Brand

As mentioned in the first section, that ‘integrity’ is one of the most important virtues that companies should always keep in mind, for integrity is the foundation of human life and a business (Li, 2021: p. 150). This implies that integrity is as vital to business as water is to fish. As Qiu (2018: p. 37) argues, companies and entrepreneurs without integrity may succeed at the moment, but they cannot be successful in the long run, and only those who are firmly established based on integrity and insisting on honest business can thrive and be undefeated.

On July 30, 2018, Estée Lauder (Shanghai) Trading Co., Ltd. was fined 110,000 RMB by the Shanghai Minhang District Market Supervision Administration for issuing advertisements using terms such as the ‘top’ and the ‘best’; the company was accused of using misleading advertisements to exaggerate the efficacy of products. In the following week, Estée Lauder’s stock price dropped from \$134.99 to \$132.73 (see Figure 6), representing a decrease of about 1.7% in the stock market.

The news sparked numerous discussions on Chinese social media, and consumers said they would not repurchase Estée Lauder’s products for long. On Chinese social media—WeChat, Chinese consumers have commented on this topic with the tag of *Estée Lauder Misrepresentation*, saying that they did not expect such a large company to deceive consumers, and some even “regretted”



Source: Yahoo Finance. The Estée Lauder Companies Inc. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

Figure 6. Estée Lauder Stock Price from 6/24/2018-8/5/2018.

buying the company's products¹. Estée Lauder (Shanghai) Trading Co., Ltd. later apologized to the public, but it did not improve consumers' confidence in the brand.

4. Further Discussions

The previous section reveals three significant findings. Firstly, examples mentioned above indicate that CSR factors can impact stock prices in both positive or negative sides. For instance, Estée Lauder's participation in anti-animal testing organizations and its active acquisition of niche brands indicate that the company has fulfilled the virtues of compassion and courage, which leads to an increase in stock prices. Conversely, if the virtues are lost, the stock price declines. Racist remarks and lack of integrity by Estée Lauder managers caused the stock price to fall are cases in point (see **Table 1**).

Secondly, as shown in **Table 1**, the loss of integrity and warmth brought about a 12% and 1.7% decline in stock prices, while the positive impact brought about a 17% and 2.5% increase. However, it is worth noting that while the acquisition of other companies achieves the virtue of courage, the positive impact of such acquisition does not immediately show an upward trend in stock prices. This process brings benefits to the company with the continued growth of the acquired company. For example, in 2016, Estée Lauder acquired three brands, including Becca Cosmetics. Yet, the stock price did not rise immediately after the acquisition of these companies and even fell for other reasons. But this may not negate the benefits of what acquiring companies would bring to Estée Lauder's

¹For more details, please read posts on WeChat under the tag of *Estée Lauder's False Advertising its Products* (In Chinese). Available from:

<https://m.weibo.cn/search?containerid=100103type%3D1%26q%3D%E9%9B%85%E8%AF%97%E5%85%B0%E9%BB%9B%E8%99%9A%E5%81%87%E5%AE%A3%E4%BC%A0>. [Accessed on 15 August 2022].

Table 1. The degree of influence of different virtues on stock prices (2018-2021) based on examples above (the Estée Lauder Group).

| | Negative Impacts | | Positive Impacts | |
|--------------------------------|---|----------------------------------|----------------------------------|--|
| Time | July, 2018 | February, 2021 | June, 2019 | February, 2021 |
| Events | Exaggerating the function of the brand. | Making jokes relating to racism. | Fighting against animal testing. | Investing in Canadian beauty company Deciem. |
| Performance of the Stock Price | -1.7% | -12% | +17% | +2.5% |

Source: See **Figures 1-6**. Calculations are based on data from Yahoo Finance. Available from: EL Interactive Stock Chart|The Estée Lauder Companies Inc. Stock—Yahoo Finance.

stock price: as long as these brands grow and their popularity increases, the stock price of the company is bound to rise in the long run. In fact, the stock price of the Estee Lauder Group improved very significantly in the second half of 2017, especially in the second half of 2018 ([Yahoo Finance, 2022](#)).

In addition, through the illustration of the increase in Estée Lauder's stock price, it can be seen that the profound impact on the stock price is caused by achieving the virtue of warmth and empathy. Animal protection increased the company's stock price by 17% in only three weeks, and this might be the most significant impact on the stock price among all the examples. The finding is consistent with Professor Chun's findings for the case of The Body Shop to some extent. In other words, due to the unique nature of the cosmetics industry, women probably become the largest group of consumers. Women are empathetic creatures and more likely to be influenced by sympathetic factors when buying cosmetics ([Srags, 2018](#)). Estée Lauder's concern about the diversity, quality, and safety of the products is essential for shaping the image of the company and attracting female consumers for a very long time.

5. Conclusion

The ethical behaviour of companies affecting stock prices is gaining attention in the strategic management of companies. However, this theory has rarely been tested in the business world because it requires comparing a company's ethical behaviour with the changes of its stock price. [Egels \(2005: p. 11\)](#) classifies the factors that affect a company's stock price into internal and external ones, both factors are related to business decisions; however, due to the variability of different industries, the conclusions drawn from analysing companies in various industries could be different.

Therefore, this paper discusses the impact of CSR factors on a company's stock price through a case study of Estée Lauder, Inc. By analysing the active events launched by the company such as fighting against animals, and attitudes to events such as subjecting to public critiques, it indicates that the Estée Lauder

Company is a CSR-driven brand.

Firstly, the findings discussed above provide a valuable explanation for Estée Lauder's impressive performance in the global market. A stable increase in the company's stock price is a favourable outcome for the company and its shareholders, as it represents an affirmation and support of the company's performance by both markets and users. While at the same time, the recent decline in its stock price suggests that a company with a strong reputation will receive a significantly negative impact on its stock price in the long run if it commits unethical behaviour.

The implication of the viewpoint is a constant reminder to the company's management team that a decrease in the stock price can cause stress to the company for sure, as it harms the investment interest of the shareholders, which is extremely detrimental to the company's future development.

The two sides again confirm that valuing ethical business activities for CSR-led brands seems to be very important. As can be seen in the paper, it demonstrates that ethical factors such as the degree of the concern about integrity, empathy, warmth, courage, etc., will have an impact on the increase of the company's stock price. This means that designing and implementing business activities that correspond to the virtues of ethical character and also managing the ethical behaviour of its employees can avoid the company from losing its reputation in the market for not chasing a little economic profit.

On the other side of the coin, it implies that, strengthening ethical training for employees and developing an ethical corporate culture is important, as ethical behaviour is part of the culture of a company. From the analysis of the case of the unfriendly statements of the top executive, it can be seen that, the racist message being allowed to post on a manager's private social account shows the relevance of poor management in the company, along with a lack of ethical training for its employees. In other words, in actual enterprise management, Estée Lauder may focus more on economic management, but the professional ethical training of the employees in the workplace is neglected. If Estée Lauder had strengthened ethical training and managed ethical behaviours for its employees, perhaps critiques and complaints from both customers and the market could have been avoided.

Due to time and space limitations, the analyses of the rise and fall of Estee Lauder's stock price in recent years are inevitably biased in this paper. Nevertheless, there are numerous factors that affect stock prices, and in some ways, the impact of markets, policies, and corporate earnings on stocks may be more intuitive. This means that improving data analysis will be crucial in the future; more specifically, it will be practical to acquire details about ethical characteristics that have been shown to have a direct impact on stock price in later research papers.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

- 2019 Annual Report (2019). *The Estee Lauder Companies Inc. Index to Annual Report on Form 10-K*.
<https://media.elcompanies.com/files/e/estee-lauder-companies/universal/news-and-media/media-resources/resources-and-reports/reports/2019-elc-10k.pdf>
- 2020 Annual Report (2020). *The Estee Lauder Companies Inc. Index to Annual Report on Form 10-K*.
<https://media.elcompanies.com/files/e/estee-lauder-companies/universal/investors/investor-resources/toolkit/form-10k-200820-a.pdf>
- Chen, X. Z. (2020). Corporate Social Responsibility and Stock Price Crash Risk: Moderating Effect Analysis of Social Capital. *American Journal of Industrial and Business Management*, 10, 600-618. <https://doi.org/10.4236/ajibm.2020.103040>
- Chun, R. (2016). What Holds Ethical Consumers to a Cosmetics Brand: The Body Shop Case. *Business & Society*, 55, 528-549. <https://doi.org/10.1177/0007650313520201>
- Chun, R., & Wang, X. (2005). Ethical Character and Virtue of Organization: An Empirical Assessment and Strategic Implication. *Journal of Business Ethics*, 57, 269-284. <https://doi.org/10.1007/s10551-004-6591-2>
- Egels, N. (2005). *Sorting Out the Mess. A Review of Definitions of Ethical Issues in Business*. Göteborg University. <http://hdl.handle.net/2077/2984>
- Grappe, C. G., Lombart, C., Louis, D., & Durif, F. (2021). “Not tested on animals”: How Consumers React to Cruelty-Free Cosmetics Proposed by Manufacturers and Retailers? *International Journal of Retail & Distribution Management*, 49, 1532-1553. <https://doi.org/10.1108/IJRDM-12-2020-0489>
- Kelleher, M. (2012). Ethical Issues, Dilemmas and Controversies in ‘Cosmetic’ or Aesthetic Dentistry. A Personal Opinion. *British Dental Journal*, 212, 365-367. <https://doi.org/10.1038/sj.bdj.2012.317>
- Larson, K. (2021). What Estée Lauder’s Acquisition Means for Deciem and the Ordinary. <https://www.forbes.com/sites/kristinlarson/2021/02/24/what-the-Estée-lauder-acquisition-means-for-deciem-and-the-ordinary/?sh=222cd8362109>
- Li, C. N. (2021). The Importance of Corporate Integrity Revisited from Frequent Financial Frauds. *China Collective Economy*, 29, 150-152. (In Chinese).
- Li, J. L. (2001). Searching for the Cultural Genes That Make Listed Companies to Be “Evil”. *Inquiry into Economic Issues*, 12, 36-38. (In Chinese).
- Liu, J. D., & Han, J. (2022). The Rationality of Corporate Ethical Responsibility. *Morden Marketing*, 4, 98-100. (In Chinese).
- Ma, Z. G., & Yu, H. (2007). A Review of Research on Ethical Corporate Governance from the Social Responsibility Perspective. *Dongyue Tribune*, 28, 105-107. (In Chinese).
- Neumann, J. (2022). *Estee Lauder Terminates Executive John Demsey over Instagram Post*. Bloomberg News. <https://www.bnnbloomberg.ca/estee-lauder-terminates-executive-john-demsey-over-instagram-post-1.1730009>
- Planas, A. (2022). Estée Lauder Executive Ousted after Posting Racist Meme on Instagram. NBC News Digital. <https://www.nbcnews.com/news/us-news/Estée-lauder-executive-ousted-posting-racist-meme-instagram-rcna17950>
- Qiu, J. W. (2018). The Made in Germany Spirit that Permeates the Details of Management with Business Integrity. *China Rubber*, 34, 35-37. (In Chinese).
- Qu, Z. F. (2015). On the Shaping of the Hotel’s Image. *Tourism Overview*, 6, 80-81. (In

Chinese).

- Rodin, D. (2005). What's Wrong with Business Ethics? *International Social Science Journal*, 57, 561-571. <https://doi.org/10.1111/j.1468-2451.2005.00571.x>
- Rodin, D., & Wang, X. (2006). What Is Wrong with Corporate Ethics? *International Social Science Journal (Chinese Edition)*, 3, 157-167, 6. (In Chinese).
- Srags, A. S. (2018). A Study on Factors Influencing Cosmetic Buying Behavior of Consumers. *International Journal of Pure and Applied Mathematics*, 118, 453-459.
- Wan, P., Chen, X. Y., & Ke, Y. (2020). Does Corporate Integrity Culture Matter to Corporate Social Responsibility? Evidence from China. *Journal of Cleaner Production*, 259, Article ID: 120877. <https://doi.org/10.1016/j.jclepro.2020.120877>
- Yahoo Finance (2022). *The Estée Lauder Companies Inc.* <https://sg.finance.yahoo.com/quote/el>
- Zhang, G. S. (2005). An Introduction to Stock Market Culture. *On Economic Problems*, 9, 52-54. (In Chinese).